



THE COMMONWEALTH OF MASSACHUSETTS
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TO: Legislators, Lobbyists and Other Interested Parties
FROM: Michael J. Sullivan, Director *mjs*
DATE: May 5, 1995
REVISED: July 10, 1995
SUBJECT: New Contribution Limits, Bundling Restrictions

Working with an idea forwarded by Sen. Stan Rosenberg, this office has compiled a list of "helpful hints" which are designed to alleviate some of the confusion concerning the new limits on contributions to candidates, as well as the new restrictions placed on the "bundling" of campaign contributions. These changes to the campaign finance law, made through Chapters 43 and 292 of the Acts of 1994, became effective January 1, 1995.

The attached two-sided sheet highlights the amounts state senator and representative candidates may now accept in campaign contributions from various sources, and also answers some of the most frequently asked questions regarding bundling.

This memorandum is meant to be a handy guide to two areas of the new campaign finance law which have raised a significant number of questions. The office also has available a more detailed memorandum (M-94-06) which highlights the changes to the law in a matrix form showing the old sections of the law side-by-side with the new sections.

After reviewing this "helpful hints" memorandum, please feel free to contact this office (in confidence) if you have any further questions or comments on these new provisions to the campaign finance law.

**HELPFUL HINTS ON BUNDLING AND NEW CONTRIBUTION LIMITS FOR
LEGISLATORS, LOBBYISTS AND OTHERS**

NEW CONTRIBUTION LIMITS

Legislators and legislative candidates may now receive contributions from individuals and political committees up to the following amounts:

	<u>Senate</u>	<u>Rep.</u>
Individuals (other than lobbyists) (Individuals are limited from giving more than \$12,500 in the aggregate to all candidates and candidate committees. It IS NOT the responsibility of the candidate to know if a person has approached his aggregate limit.)	\$500/yr.	\$500/yr.
Lobbyists (Lobbyists are not subject to any aggregate limits different than those for any other individual.)	\$200/yr.	\$200/yr.
A PAC	\$500/yr.	\$500/yr.
All PACs in the aggregate (It IS the responsibility of the candidate or his committee to determine whether they are within their aggregate PAC limit.)	\$18,750/yr.	\$7,500/yr.
People's Committees	\$500/yr.	\$500/yr.
All People's Committees in Aggregate	No limit	No limit
State Party Committees	\$3,000/yr. Unlimited In-kind	\$3,000/yr. Unlimited In-kind
Ward, Town, City Party Committees	\$1,000/yr. Unlimited In-kind	\$1,000/yr. Unlimited In-kind
Another Candidate's Committee (Candidate committees are prohibited from GIVING more than \$1,500 in the aggregate to all other candidate committees).	\$100/yr.	\$100/yr.

How does a candidate know whether a PAC is a People's Committee, or vice-versa? PACs and People's Committees must clearly identify themselves when they make contributions. As recently amended, the campaign finance law requires a PAC to use the words "Political Action Committee" in its name. OCPF keeps a list of PACs and People's Committees.

Are spouses of lobbyists subject to the same contribution limits as the lobbyists themselves? No. A spouse of a lobbyist may make contributions within the same limits as any other individual.

If a candidate receives PAC contributions in excess of his aggregate limits, can he choose which contributions to return?

No. A candidate may keep all those contributions he has received which brought him up to his aggregate limit. Once a contribution puts that candidate over his aggregate limit he must return that PAC contribution and any subsequent PAC contributions.

BUNDLING

What is bundling? Bundling is the practice of gathering a number of contributions from different individuals and delivering them to a candidate or candidate's political committee, or arranging for their delivery in a manner that identifies in writing who arranged them.

Is bundling regulated? Bundling is **ONLY** regulated for certain categories of individuals (see below) and **ONLY** if: (1) any of the bundled contributions exceeds \$100; **AND** (2) the contributions are delivered to a candidate or candidate's committee. Otherwise, there are no regulations or prohibitions on bundling.

Who are the regulated bundlers? Regulated conduits or intermediaries, so-called regulated bundlers, include: (1) registered lobbyists and their agents; (2) agents of PACs; and (3) persons directing or delivering "pooled" contributions from employees of a corporation.

Who are not considered regulated bundlers? In short, anyone other than the specific categories of individuals mentioned above.

Is bundling regulated even if a regulated bundler does not personally deliver contributions he has arranged? Yes. If a regulated bundler arranges for someone else to deliver the contributions, and instructs those contributors to identify in writing who arranged the contributions, such bundling is regulated.

What happens if one of the three types of regulated bundlers bundles contributions? Bundled contributions count not only against the contributor's limit, but against the regulated bundler's limit as well. For example, if a lobbyist bundled contributions, those contributions would count against the lobbyist's limit. Since a lobbyist's limit is \$200 per candidate he would probably exceed his contribution limit.

Are there any special reporting requirements? Yes. A regulated bundler who delivers or arranges for the delivery of contributions must file a report with the candidate and OCPF if any of the contributions exceeds \$100. For additional information contact OCPF at 727-8352.

THEREFORE. . .

Lobbyists, Agents of PACs or Persons Acting to Pool Contributions Among Employees of a Corporation Will Not Be Regulated If They...

"Bundle" contributions if none are greater than \$100

Solicit campaign contributions for a candidate, **provided** they don't deliver those contributions to the candidate or instruct that contributors identify in writing where they came from

Make contributions from their own funds to candidates, within the statutory limits

Attend candidate fundraisers or ask others to attend candidate fundraisers

Lobbyists, Agents of PACs or Persons Acting to Pool Contributions Among Employees of a Corporation Will Be Regulated If...

Any of the contributions they gather or solicit exceeds \$100 and they...

... Deliver those contributions to a candidate or candidate committee OR

... Arrange for others to deliver those contributions to a candidate or candidate committee in a way that identifies in writing who helped arrange the contributions OR

... Instruct those individuals whom they solicited to identify in writing who helped arrange the contributions